

(4)(i) The failure of a grant applicant or recipient to request a hearing under this paragraph, or to appear at a hearing for which a date has been set, is deemed to be a waiver of the right to a hearing; and

(ii) Whenever a hearing is waived, all allegations of fact contained in the Final Determination or Notification of Breach of Conciliation Agreement shall be deemed admitted and the Final Determination or Notification of Breach of Conciliation Agreement shall be deemed the Final Decision of the Secretary as of the day following the last date by which the grant applicant or recipient was required to request a hearing or was to appear at a hearing. See § 34.52(b)(3).

(c) *Time and place of hearing.* Hearings shall be held at a time and place ordered by the Administrative Law Judge upon reasonable notice to all parties and, as appropriate, the complainant. In selecting a place for the hearing, due regard shall be given to the convenience of the parties, their counsel, if any, and witnesses.

(d) *Judicial process; evidence.* (1) The Administrative Law Judge may use judicial process to secure the attendance of witnesses and the production of documents pursuant to Section 9 of the Federal Trade Commission Act (15 U.S.C. 49).

(2) *Evidence.* In any hearing or administrative review conducted pursuant to this part, evidentiary matters shall be governed by the standards and principles set forth in the Uniform Rules of Evidence issued by the Department of Labor's Office of Administrative Law Judges, 29 CFR part 18.

§ 34.52 Decision and post-termination proceedings.

(a) *Initial decision.* After the hearing, the Administrative Law Judge shall issue an initial decision and order, containing findings and conclusions. The initial decision and order shall be served on all parties by certified mail, return receipt requested.

(b) *Exceptions; final decision.*—(1) *Final decision after a hearing.* The initial decision and order shall become the final decision and Order of the Secretary unless exceptions are filed by a party or, in the absence of exceptions, the Sec-

retary serves notice that the Secretary shall review the decision.

(i) A party dissatisfied with the initial decision and order may, within 45 days of receipt, file with the Secretary and serve on the other parties to the proceedings and on the Administrative Law Judge, exceptions to the initial decision and order or any part thereof.

(ii) Upon receipt of exceptions, the Administrative Law Judge shall index and forward the record and the initial decision and order to the Secretary within three days of such receipt.

(iii) A party filing exceptions must specifically identify the finding or conclusion to which exception is taken. Any exception not specifically urged shall be deemed to have been waived.

(iv) Within 45 days of the date of filing such exceptions, a reply, which shall be limited to the scope of the exceptions, may be filed and served by any other party to the proceeding.

(v) Requests for extensions for the filing of exceptions or replies thereto must be received by the Secretary no later than 3 days before the exceptions or replies are due.

(vi) If no exceptions are filed, the Secretary may, within 30 days of the expiration of the time for filing exceptions, on his or her own motion serve notice on the parties that the Secretary will review the decision.

(vii) *Final Decision and Order.* (A) Where exceptions have been filed, the initial decision and order of the Administrative Law Judge shall become the Final Decision and Order of the Secretary unless the Secretary, within 30 days of the expiration of the time for filing exceptions and any replies thereto, has notified the parties that the case is accepted for review. (B) Where exceptions have not been filed, the initial decision and order of the Administrative Law Judge shall become the Final Decision and Order of the Secretary unless the Secretary has served notice on the parties that the Secretary will review the decision, as provided in paragraph (b)(1)(vi) of this section.

(viii) Any case reviewed by the Secretary pursuant to this paragraph shall be decided within 180 days of the notification of such review. If the Secretary fails to issue a Final Decision and

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Order within the 180-day period, the initial decision and order of the Administrative Law Judge shall become the Final Decision and Order of the Secretary.

(2) *Final Decision where a hearing is waived.* (i) If, after issuance of a Final Determination pursuant to §34.46(a) or Notification of Breach of Conciliation Agreement pursuant to §34.48, voluntary compliance has not been achieved within the time set by this part and the opportunity for a hearing has been waived as provided for in §34.51(b)(3), the Final Determination or Notification of Breach of Conciliation Agreement shall be deemed the Final Decision of the Secretary.

(ii) When a Final Determination or Notification of Breach of Conciliation Agreement is deemed the Final Decision of the Secretary, the Secretary may, within 45 days, issue an order terminating or denying the grant or continuation of assistance or imposing other appropriate sanctions for the grant applicant or recipient's failure to comply with the required corrective and/or remedial actions, or referring the matter to the Attorney General for further enforcement action.

(3) *Final agency action.* A Final Decision and Order issued pursuant to §34.52(b) constitutes final agency action.

(c) *Post-termination proceedings.* (1) A grant applicant or recipient adversely affected by a Final Decision and Order issued pursuant to paragraph (b) of this section shall be restored, where appropriate, to full eligibility to receive Federal financial assistance under JTPA if it satisfies the terms and conditions of such Final Decision and Order and brings itself into compliance with the nondiscrimination and equal opportunity provisions of JTPA and this part.

(2) A grant applicant or recipient adversely affected by a Final Decision and Order issued pursuant to paragraph (b) of this section may at any time petition the Director to restore its eligibility to receive Federal financial assistance under JTPA. A copy of the petition shall be served on the parties to the original proceeding which led to the Final Decision and Order issued pursuant to paragraph (b) of this sec-

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tion. Such petition shall be supported by information showing the actions taken by the grant applicant or recipient to comply with the requirements of paragraph (c)(1) of this section. The grant applicant or recipient shall have the burden of demonstrating that it has satisfied the requirements of paragraph (c)(1) of this section. Restoration to eligibility may be conditioned upon the grant applicant or recipient entering into a consent decree. While proceedings under this section are pending, sanctions imposed by the Final Decision and Order under paragraphs (b) (1) and (2) of this section shall remain in effect.

(3) The Director shall issue a written decision on the petition for restoration.

(i) If the Director determines that the requirements of paragraph (c)(1) of this section have not been satisfied, he or she shall issue a decision denying the petition.

(ii) Within 30 days of its receipt of the Director's decision, the recipient or grant applicant may file a petition for review of the decision by the Secretary, setting forth the grounds for its objection to the Director's decision.

(iii) The petition shall be served on the Director and on the Office of the Solicitor, Civil Rights Division.

(iv) The Director may file a response to the petition within 14 days.

(v) The Secretary shall issue the final agency decision denying or granting the recipient's or grant applicant's request for restoration to eligibility.

§34.53 Suspension, termination, denial or discontinuance of Federal financial assistance under JTPA; alternate funds disbursement procedure.

(a) Any action to suspend, terminate, deny or discontinue Federal financial assistance under JTPA shall be limited to the particular political entity, or part thereof or other recipient (or grant applicant) as to which the finding has been made and shall be limited in its effect to the particular program, or part thereof, in which the non-compliance has been found. No order suspending, terminating, denying or discontinuing Federal financial assistance under JTPA shall become effective until: